



## **USDA Rural Development Celebrates 25 Years of Guaranteed Home Loan Program**

**September 15, 2016**

USDA Rural Development's guaranteed home loan program was started in 1991 as a way to greatly expand the availability of home financing for rural residents. During the past 25 years, more than 1.5 million households in rural America have become homeowners through the program with lenders partnering with USDA to issue nearly \$180 billion in mortgage loans throughout the country.

More than 17,000 guaranteed home loans totaling \$1.7 billion have been issued here in Iowa since just 2009. Thank you for making this program such a success in helping thousands of rural Iowans achieve their homeownership dreams.

### **Program Fees Reduced**

Both the upfront guarantee fee and annual fee (collectively the "fee schedule") for purchase and refinance using USDA Rural Development's home loan program will decrease on October 1, 2016, the first day of fiscal year 2017 (FY '17).

The upfront guarantee fee will change from 2.75% to 1.0% of the final loan amount.

The annual fee will change from 0.50% to 0.35% of the average scheduled unpaid principal balance for the life of the loan.

USDA's Guaranteed Underwriting System (GUS) was updated on August 31st to allow lenders to select and underwrite using either the fiscal year 2016 or 2017 fee schedule.

The conditional commitment date of issuance (not the loan closing date) determines the fee schedule for loan requests. Conditional commitments will not be issued for loans submitted under the FY '17 fee schedule until October 1, 2016.

If an adjustment is required, please request the loan to be released in GUS for a fee correction and resubmission. All GUS applications in "final submission" status on October 1st using the FY '16 fee schedule will be released back to the lender.

Please refer to the unnumbered letter (UL), "[Upfront Guarantee Fee and Annual Fee for Fiscal Year 2017](#)," for additional details.

The "Guarantee Fee & Annual Fee Calculator" is available online at the [USDA LINC Training and Resource Library](#) in the "Loan Origination" and "Guarantee Annual Fee (GAF) Billing and Payment" sections of the page.

Call (515) 284-4667, email [rd-grhia@ia.usda.gov](mailto:rd-grhia@ia.usda.gov) or visit [www.rd.usda.gov/ia](http://www.rd.usda.gov/ia) for more information.

### **USDA Guaranteed Home Loan Program - Additional Information and Resources**

Stay informed of guaranteed home loan program changes by signing up for alerts at [https://public.govdelivery.com/accounts/USDARD/subscriber/new?gsp=USDARD\\_25](https://public.govdelivery.com/accounts/USDARD/subscriber/new?gsp=USDARD_25)

USDA Rural Development's current 3555 Lender Handbook can be found at [www.rd.usda.gov/publications/regulations-guidelines/handbooks#hb13555](http://www.rd.usda.gov/publications/regulations-guidelines/handbooks#hb13555).

Additional program information and training is available on the Lender Interactive Network Connection (LINC) Training and Resource Library at <https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>.

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